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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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*[Signature]*

COMMISSIONERS

KRISTIN K. MAYES - Chairman  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP

IN THE MATTER OF:

DOCKET NO. S-20757A-10-0373

RICHARD M. SCHMERMAN, individually and  
d/b/a Diversified Financial and/or Diversified  
Financial Planners, and Amy Schmerman, husband  
and wife.

RESPONDENTS.

**PROCEDURAL ORDER**  
**(Schedules Status Conference)**

**BY THE COMMISSION:**

On September 9, 2010, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Richard M. Schmerman d/b/a Diversified Financial and/or Diversified Financial Planners ("Diversified") and Amy Schmerman, husband and wife (collectively "Respondents"), in which the Division alleged multiple violations of the Arizona Securities Act ("Act") and the Investment Management Act ("IM Act") in connection with Respondent Richard A. Schmerman's practices in business and securities matters which allegedly involved mishandling of client funds and misrepresentation.

The Respondents were duly served with copies of the Notice.

On September 20, 2010, a request for hearing was filed by the Respondents.

On September 22, 2010, by Procedural Order, a pre-hearing conference was scheduled on October 21, 2010.

On October 21, 2010, at the pre-hearing conference, the Division and Respondents appeared through counsel. The parties are discussing a possible resolution of the issues raised by the Notice, but have agreed in the interim that a status conference be scheduled in approximately 60 days.

On October 22, 2010, by Procedural Order, a status conference was scheduled on December 16, 2010.

On December 16, 2010, the Division and Respondents appeared through counsel at the status

1 conference. The parties are continuing to discuss a resolution of the proceeding and in the interim,  
2 the Division requested that another status conference be scheduled in approximately 60 days.

3 Accordingly, a status conference should be scheduled.

4 IT IS THEREFORE ORDERED that a **status conference** shall be held on **February 23,**  
5 **2011, at 9:30 a.m.,** at the Commission's offices, 1200 West Washington Street, 2<sup>nd</sup> Floor Conference  
6 Room, Phoenix, Arizona.

7 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized  
8 Communications) applies to this proceeding as the matter is now set for public hearing.

9 IT IS FURTHER ORDERED that withdrawal or representation must be made in compliance  
10 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the  
11 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances  
12 at all hearings and procedural conferences, as well as all Open Meetings for which the matter is  
13 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the  
14 Administrative Law Judge or the Commission.

15 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules  
16 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and admission *pro*  
17 *hac vice*.

18 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive  
19 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

20 DATED this 16<sup>th</sup> day of December, 2010.

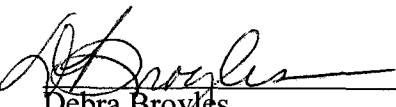
21  
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23  
24   
25 MARC E. STERN  
26 ADMINISTRATIVE LAW JUDGE  
27  
28

1 Copies of the foregoing mailed/delivered  
2 this 11<sup>th</sup> day of December, 2010 to:

3 Alan Baskin  
4 BADE & BASKIN, PLC  
5 80 E. Rio Salado Pkwy, Suite 511  
6 Tempe, AZ 85281  
7 Attorney for Respondents

8 Matt Neubert, Director, Securities Division  
9 ARIZONA CORPORATION COMMISSION  
10 1300 West Washington Street  
11 Phoenix, AZ 85007

12 ARIZONA REPORTING SERVICE, INC.  
13 2200 North Central Avenue, Suite 502  
14 Phoenix, AZ 85004

15 By:   
16 Debra Broyles  
17 Secretary to Marc E. Stern  
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